

## **FREQUENTLY ASKED QUESTIONS (FAQs) ABOUT BUSINESS CLASS TRAVEL POLICY CHANGES**

Pursuant to the recent policy notice issued, Subject: Clarification of OMB memo directing Agencies to issue new or revised policy on use of premium class air travel, the following FAQs are designed to help answer questions on the use of premium class travel.

### **Q1.) What is the basis of the policy change, and did the Department of State change their policy too?**

The original basis of the policy change was a result of three separate Government Accountability Office (GAO) audits conducted over the last six years on Government-wide travel. Recommendations contained in the most recent GAO audit, released in November 2007, cited internal controls as a problem. The GAO audit report recommended that internal controls be strengthened. Weaknesses were detected by GAO in the authorization and approval process, and the justifications for using business class travel. In response to the GAO audit, the Office of Management and Budget (OMB) issued government-wide directives on January 8, 2008 that required agencies to establish specific internal controls. This policy change responds to the OMB directives. Federal Travel Regulations have not changed; however, selected Agencies' interpretation and lax enforcement of travel policies have necessitated severe restrictions on business class travel within the Department of State and USAID.

### **Q2.) I have seen the OMB memo, and it did not specifically say that we should rescind business class travel for PCS or TDY, only that we should require the employee to report to work the day following the flight. While TDY travel can be authorized for business class, why has the determination been made to restrict it for PCS.?**

The Department of State's Under Secretary for Management personally contacted OMB's Deputy Director for Management to find out what OMB expected of the Department and other Government agencies. Our new policy is consistent with OMB's clarification and the Department of State's published policy. The Department of State's more permissive policy, which had been in effect since 2002, is rescinded for PCS, Separate Maintenance Allowance, Separation Travel, and advance travel of Eligible Family Members.

**Q3.) If I am taking a trip that is more than 14 hours long and I am required to report to work on Monday morning, can I fly business class on Saturday to arrive at the destination on Sunday and still get business class?**

As long as you are on TDY status, forego a rest stop, and you arrive at your destination no earlier than the day prior to reporting to work, you may be authorized business class where the travel time exceeds 14 hours. For TDY travel, Bureaus/Independent Offices and posts now have the discretion to authorize economy class travel with a rest stop, instead of business class.

**Q4.) Can I be authorized business class if I am taking a trip that is more than 14 hours long, am required to report to work on Monday morning, and my flight is scheduled to arrive at 1:00 a.m. on Sunday?**

Yes, you may be authorized business class for such a trip as long as you arrive at any time of the day on the day before you are required to report for work.

**Q5.) What if I am authorized business class on the way to post for TDY assignment, but return home on a Saturday and am not required to report for work until Monday?**

On the return trip, if the basis for justifying business class is based only on the criteria of exceeding 14 hours in duration, but you are not required to report for work no later than the following day, you would have to fly coach.

**Q6.) Since I am obligated to fly economy for PCS or other types of travel that require economy class accommodations, will my Bureau/Independent Office/post authorize economy class tickets that I can easily upgrade with frequent flyer miles?**

On official travel, your Bureau/post must use discounted contract/city pair fares whenever offered; sometimes these tickets qualify for upgrades using frequent flyer miles, but typically they do not. Your Bureau/post cannot purchase a more expensive ticket simply to secure an upgradeable fare. Travel on official business must be done by the method of transportation that will result in the greatest advantage to the U.S. Government, while also considering the lowest overall cost to the Agency.

**Q7.) Are there any exceptions to the mandatory use of contract fares?**

Yes, under the limited circumstances where it can be shown that a “lower trip cost” using excursion/restricted fares, including the combined cost of transportation, lodging, meals, miscellaneous expenses and associated penalties, for use of restricted fare is lower than the contract fare. All trip cost elements for each, e.g. restricted vs. contract fare, must be examined and compared to determine the total “lower trip cost”. **Commercial excursion/restricted fare must be available to the general public and that fact must**

**be stated on the travel authorization.** Typically contract fares average a 72 percent discount over comparable commercial fares. Consideration must also be given to all restrictions placed on non-contract fares, for example, non-fully refundable tickets when the potential exist for cancellation or itinerary changes. Non-refundable tickets can potentially cost the Agency a significant amount. Non-contract fares may not be practical under some circumstances.

**Q8.) Will I be allowed to use my frequent flyer miles to upgrade to business class?**

Yes, provided that the fare is upgradeable. One of the basic principles for purchasing any kind of service or product with taxpayer funds is that the least amount of money should be spent to achieve the intended purpose. As a result, USAID utilizes discounted government fares whenever possible and these are usually not upgradeable.

**Q9.) When does the “14 hour clock start ticking, and when does it end” for purposes of authorizing business class travel?**

The 14 hour rule is based on the advanced booking travel itinerary. For purposes of calculating the 14 hour rule, the time period as shown on the itinerary is “wheels up, point of departure, wheels down, point of final destination” The time excludes travel time to the airport, baggage check in, and departure wait time at the airport.

Unfortunately, in some cases flights may be delayed en route due to unforeseen circumstances, such as weather, unscheduled airline maintenance during layovers or other delays. But because the authorization for business class travel is done in advance and is based on the advance booking travel itinerary, no provision can be made to authorize business class travel under circumstances where flights are unavoidably delayed.